

## **Interim report January 1 – June 30, 2007**

### **Solid revenue and gross profit performance with stable gross profit margin.**

A significant strategic acquisition within search engine marketing was made on July 25<sup>th</sup> by cash payment of approximately 770 MSEK.

#### **April - June**

- Revenues for the second quarter increased by 27,9 percent to 512,6 (400,9) MSEK.
- Gross Profit for the second quarter increased by 25,4 percent to 143,0 ( 114,0) MSEK.
- Gross profit from transactions increased by 31,0 percent to 112,3 (85,7) MSEK brought on by strengthening transaction margins.
- Operating profit excluding share based expenses for the second quarter increased by 14,0 percent to 47,9 (42,0) MSEK. Operating profit (EBIT) including expenses relating to all existing warrant schemes for the second quarter decreased by 11,0 percent to 40,3 (45,3) MSEK.
- Adjusted operating margin for the second quarter was 9,3 (10,5) percent.
- Profit after tax for the second quarter amounted to 30,6 (33,7) MSEK.
- Reported earnings per share amounted to SEK 1,07 (1,18) SEK after dilution.

#### **January - June**

- Revenues for the period increased by 29,0 percent to 1 033,8 (801,3) MSEK.
- Gross Profit for the period increased by 27,9 percent to 282,7 (221,1) MSEK.
- Operating profit excluding share based expenses for the period increased by 17,3 percent to 96,2 (82,0) MSEK. Operating profit (EBIT) including expenses relating to all existing warrant schemes for the period decreased by 1,2 percent to 81,0 (82,0) MSEK.
- Adjusted operating margin for the period was 9,3 (10,2) percent.
- Profit after tax for the period amounted to 58,6 (54,4) MSEK.
- Reported earnings per share amounted to SEK 2,05 (1,91) SEK after dilution.

#### **Significant events after the period**

- On July 25<sup>th</sup> , TradeDoubler acquired 100 percent of the shares in The IMW Group and its subsidiaries The Search Works – the UK's largest search engine marketing company - and The Technology Works thus significantly strengthening TradeDoubler's offering within the digital marketing sector.
- TradeDoubler opened an office in Ireland

## About TradeDoubler

TradeDoubler is a Pan-European digital marketing company offering a range of performance-based marketing solutions. TradeDoubler's products and services provide companies with the tools and expertise to drive results online whether they are looking to generate sales or drive brand awareness. Headquartered in Sweden, the company boasts a unique European reach with local offices in 15 countries across Europe and a presence in a further three countries. With a breadth of expertise across multiple industry sectors and a network of more than 118,000 website publishers TradeDoubler helps deliver online results for over 1,200 advertisers across Europe including a mix of local and international companies such as Apple Store, Dell, Telia Sonera, eBay and Kelkoo. Please visit [www.tradedoubler.com](http://www.tradedoubler.com) for further information.

This document contains certain forward-looking statements relating to the business, financial performance and results of the Company and the industry in which it operates. These statements are based on the Company's current plans, estimates and projections, as well as its expectations of external conditions and events. In particular the words "expect", "anticipate", "estimate", "may", "should", "believe" and similar expressions are intended to identify forward-looking statements. Forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those in the forward-looking statements. These include, but are not limited to: the level of client acceptance of existing and new and upgraded products and services; the growth of overall market demand for the Company's products; the Company's ability to sustain and effectively manage its recent rapid growth; the Company's relationship with third party suppliers, and its ability to accurately forecast the volume and timing of sales. Additional factors could cause future results to differ materially from those in the forward-looking statements.

## TradeDoubler

Historically the company increases its cost base during the first half of the year. The first half of 2007 saw an increase on these historical levels of investment. In the second quarter of 2007, TradeDoubler added a number of staff to its businesses across Europe in order to secure future growth. With the resources now in place, the focus going forward will be on delivering the full potential of all TradeDoubler's assets. The main investments for the year have now been completed.

With the strategically important acquisition of IMW, TradeDoubler enters a new market segment opening up for the further expansion of the group.

## The Market

According to recently released figures from comScore, the average European internet user now spends approximately 24 hours a month online. With more than 40 percent of the total European population online, increased broadband adoption has meant that European internet users are now spending more time online than their US counterparts.

Whilst advertising spend has been disproportionately low compared to the amount of media time consumers spend online, the gap is continuing to narrow as advertisers shift increasing portions of budget towards online.

Recently released figures from Forrester Research predict that online adspend will double by 2012 to reach €16 billion and will increase its share of total European adspend from 9 percent today to 18 percent in 2012. The internet is expected to be the fastest growing global ad medium over the coming years, driving overall advertising growth at a time when certain offline channels are either stagnant or in decline across some European markets.

TradeDoubler's wealth of experience and expertise within digital advertising can greatly assist advertisers who are looking to invest more budget towards online

and to optimise their spend on this channel as well as helping them stay abreast of developments within such a rapidly evolving industry.

As internet users continue to increase the amount of time spent online, they are becoming more confident online shoppers and spend more money on online transactions. Internet users are also becoming more demanding of their online experience and are far more receptive to online advertising if the advertising message is relevant to them. TradeDoubler's recently released contextual advertising functionality provides advertisers with the opportunity to place automated advertising alongside website content that is related to the products or services that they are advertising, thereby increasing the likelihood that internet users will be interested in the products or services on offer.

From an advertiser's perspective, increased broadband adoption offers the opportunity to more actively engage with their audiences. Advancements in rich media and functionality such as video streaming enable advertisers to offer an improved online customer experience and target their audiences more effectively.

Search activity undoubtedly remains the dominant online marketing channel with affiliate marketing often the second port of call for online advertisers. As marketing directors demand more accountability from digital advertising suppliers, performance based marketing has moved further into the spotlight.

As competition and consolidation across the industry increase, TradeDoubler has sought to strengthen and expand its offering on both a product and geographic level. TradeDoubler's performance based product portfolio now accommodates a full range of advertiser requirements. Using TradeDoubler's affiliate and campaign products, td pull, td Reach and td Push, advertisers are able to reach a wide range of internet users as well as smaller niche target groups, generate brand awareness and drive direct response in the form of clicks, leads or sales. The acquisition of The IMW Group will enable TradeDoubler to expand its offering in to the rapidly growing, dominant search engine marketing channel.

Whilst Travel and Finance advertisers have been amongst the most successful adopters of online advertising, TradeDoubler's td Talk product which was launched this year has widened the scope of online advertising to accommodate advertisers who are looking to sell more complex products which require a phone conversation to complete a sale.

The ability of the internet to accurately track return on investment on advertising spend underpins the performance based marketing model. TradeDoubler's td Toolbox product offers our advertisers a highly reliable, scalable independent

tracking solution to measure, optimise and analyse all their online advertising activity; helping them to cost effectively increase their online sales.

## Products and Services

Continuing the changes initiated earlier in the year and moving further to optimise and align the efficiencies of the TradeDoubler product range to clients' needs, TradeDoubler's product development continues to strengthen.

Within the td Pull area, the focus has been on improving usability, flexibility of linking and increased transparency for publishers. We estimate that the changes we have made will make TradeDoubler a more attractive proposition for publishers, when choosing which affiliate networks to work with. Reporting has been improved, resulting in an even greater ability to account precisely for when a publisher will get paid for a specific sale or lead generated. The advertiser link generators have been revamped to make it easier for publishers to retrieve appropriate creative and also to gain full visibility on the kind of creative freedom advertisers give them. In addition the product now allows trusted publishers to get immediate approval from advertisers, allowing faster uptake of advertiser programmes among key publishers. With an increased number of languages allowed per product feed, TradeDoubler now serves multi-lingual shopping directories, in markets such as Belgium and Switzerland. In a move to increase efficiency within the client service area for advertisers, a beta test of automated client specific reporting is underway. This feature, which allows staff to focus even more on value generating activities, has been well received by advertisers.

For the td Push and Reach products, there have been a number of product development initiatives which are also targeted towards increasing internal efficiencies. Our estimates show that we are able to increase efficiencies significantly. We have built up and expanded our capabilities to handle "lead capture" campaigns which are typically designed to capture data of consumers or businesses, to be used by the advertiser, with explicit consent, for direct and sales marketing purposes. This represents a fast growing segment of the market and with the adapted functionality TradeDoubler is well positioned to profit from this growth.

The td Toolbox product now has more functionality that relates to ad serving. The opportunities going forward, particularly given the extent of consolidation within the industry, are significant. In addition TradeDoubler has focussed on further enhancing the private network functionality that allows advertisers to build their own network of publishers. The focus has primarily been related to facilitating the migration of internal solutions to the td Toolbox.

td Talk has seen many improvements over the last three months. With the commercial launch of the click to call functionality, a user is allowed to feed a telephone number to an input field and, at the click of a button, be connected to the advertiser's call centre. This functionality will greatly improve the

continued roll out of this product. The advertiser can now verify sales generated from calls through additional functionality which enables advertisers to have calls monitored and recorded in order to ensure quality,. This new functionality has been developed in response to requests from key clients.

## **Revenues**

### **April to June 2007**

TradeDoubler's revenues continued to increase during the second quarter 2007 and amounted to 512,6 (400,9) MSEK, an increase of 27,9 percent, compared to the second quarter of the preceding year. Transaction revenues accounted for 481,9 (372,6) MSEK of total revenues and other revenues accounted for 30,7 (28,3) MSEK. Other revenues mainly consist of start-up and monthly fees and consulting revenues.

TradeDoubler's gross profit in the second quarter amounted to 143,0 (114,0) MSEK, an increase of 25,4 percent, compared to the second quarter of the preceding year. The share of revenue attributable to transactions was 112,3 (85,7) MSEK, while other revenues contributed 30,7 (28,3) MSEK.

The gross margin during the second quarter was 27,9 (28,4) percent, an increase from 26,8 percent in the first quarter of the year. The positive trend, quarter on quarter stems from a focus on higher margin customers and products. The transaction margin during the second quarter 2007 was 23,3 (23,0) percent, an increase from 22,2 percent in the first quarter of 2007.

The revenue growth is due to continued recruitment of advertisers combined with an increasing number of transactions. On June 30, the number of active advertisers (clients) was 1 404 (1 145), and there were 114 651 (114 977) active publishers in TradeDoubler's network.

### **January – June 2007**

The Group's revenues increased by 29,0 percent in the period to 1 033,8 (801,3) MSEK.

Transaction revenues accounted for 972,3 (746,0) MSEK of total revenues, and other revenues were 61,5 (55,3) MSEK.

The gross profit for the period increased by 27,9 percent and amounted to 282,7 (221,1) MSEK. The amount attributable to transactions was 221,2 (165,8) MSEK, and other revenues were 61,5 (55,3) MSEK.

The gross margin for the period amounted to 27,3 (27,6) percent.

**Revenue by revenue source**

SEKm	Apr-Jun 2007	Apr-Jun 2006	Change (%)	Jan-Jun 2007	Jan-Jun 2006	Change (%)	Jan-Dec 2006
Transaction revenues	481,9	372,6	29,3%	972,3	746,0	30,3%	1 629,8
Other revenues	30,7	28,3	8,5%	61,5	55,3	11,2%	114,3
<b>Total</b>	<b>512,6</b>	<b>400,9</b>	<b>27,9%</b>	<b>1 033,8</b>	<b>801,3</b>	<b>29,0%</b>	<b>1 744,1</b>

**Gross profit by revenue source**

SEKm	Apr-Jun 2007	Apr-Jun 2006	Change (%)	Jan-Jun 2007	Jan-Jun 2006	Change (%)	Jan-Dec 2006
Transaction revenues	112,3	85,7	31,0%	221,2	165,8	33,4%	366,0
Other revenues	30,7	28,3	8,5%	61,5	55,3	11,2%	114,3
<b>Total</b>	<b>143,0</b>	<b>114,0</b>	<b>25,4%</b>	<b>282,7</b>	<b>221,1</b>	<b>27,9%</b>	<b>480,3</b>

## Revenue by geographic segments

### April – June 2007

All geographic markets continued to show growth during the second quarter 2007. In the UK, revenues increased by 28,4 (37,0) percent compared to the second quarter of the preceding year. In France and Germany the increases were 19,5 (83,3) percent and 16,1 (68,8) percent respectively. In France, growth in the second quarter was primarily due to campaign activities both with existing and new clients.

The rest of Europe excluding the Nordic region saw revenues increase by 40,1 (89,1) percent, compared to the second quarter in the preceding year.

The Nordic market grew by 23,3 (45,0) percent compared to the second quarter of the preceding year. During the second quarter 2007, 93,6 (91,0) percent of the company's revenues were generated outside of Sweden.

### January – June 2007

All geographic markets continued to grow. In the UK, revenues for the period increased by 29,2 (53,5) percent, compared to the corresponding period of the preceding year. In France and Germany the increases were 15,0 (104,4) percent and 36,9 (65,5) percent, respectively. Across the rest of Europe excluding the Nordic region, revenues increased by 43,6 (106,3) percent, compared to the corresponding period of the preceding year. The Nordic market grew by 21,8 (61,6) percent, compared to the corresponding period in the preceding year. During the first six months 2007, 93,2 (90,9) percent of the company's revenues were generated outside of Sweden.



<b>United Kingdom</b>							
<b>SEKm</b>	<b>Apr-Jun 2007</b>	<b>Apr-Jun 2006</b>	<b>Change (%)</b>	<b>Jan-Jun 2007</b>	<b>Jan-Jun 2006</b>	<b>Change (%)</b>	<b>Jan-Dec 2006</b>
Revenue	209,7	163,3	28,4%	430,7	333,3	29,2%	728,8
Gross profit	53,2	42,0	26,7%	108,2	86,0	25,9%	185,6

<b>Rest of Europe</b>							
<b>SEKm</b>	<b>Apr-Jun 2007</b>	<b>Apr-Jun 2006</b>	<b>Change (%)</b>	<b>Jan-Jun 2007</b>	<b>Jan-Jun 2006</b>	<b>Change (%)</b>	<b>Jan-Dec 2006</b>
France	79,2	66,3	19,5%	160,1	139,3	15,0%	297,2
Germany	31,7	27,3	16,1%	66,1	48,3	36,9%	118,2
Rest of Europe excl the Nordic region	120,5	86,0	40,1%	233,3	162,5	43,6%	354,9
<b>Total revenue</b>	<b>231,4</b>	<b>179,6</b>	<b>28,8%</b>	<b>459,5</b>	<b>350,1</b>	<b>31,3%</b>	<b>770,3</b>
<b>Gross profit</b>	<b>65,2</b>	<b>51,0</b>	<b>27,8%</b>	<b>126,4</b>	<b>95,0</b>	<b>33,1%</b>	<b>210,0</b>

<b>Nordic region</b>							
<b>SEKm</b>	<b>Apr-Jun 2007</b>	<b>Apr-Jun 2006</b>	<b>Change (%)</b>	<b>Jan-Jun 2007</b>	<b>Jan-Jun 2006</b>	<b>Change (%)</b>	<b>Jan-Dec 2006</b>
Nordic region	71,5	58,0	23,3%	143,6	117,9	21,8%	245,0
<b>Total revenue</b>	<b>71,5</b>	<b>58,0</b>	<b>23,3%</b>	<b>143,6</b>	<b>117,9</b>	<b>21,8%</b>	<b>245,0</b>
<b>Gross profit</b>	<b>24,6</b>	<b>21,0</b>	<b>17,1%</b>	<b>48,0</b>	<b>40,1</b>	<b>19,8%</b>	<b>84,7</b>

## Earnings

### April – June 2007

Operating profit (EBIT) for the second quarter amounted to 40,3 (45,3) MSEK, corresponding to an operating margin of 7,9 (11,3) percent.

Earnings in the second quarter of 2007 were negatively affected by costs relating to all existing warrant schemes. In the second quarter these costs increased the selling expenses by -7,6 (+3,3) MSEK.

Adjusted for expenses attributable to the share based compensation, the operating margin was 9,3 (10,5) percent of revenues and 33,5 (36,9) percent of gross profit.

The cost base is primarily affected by the build-up of sales related staff and only a limited number of staff will be added to the company for the remainder of the year.

One time expenses in the second quarter amounted to 1,8 (1,0) MSEK and are primarily related to one time staff cost in the sales organization and transaction costs.

Profit after tax for the period amounted to 30,6 (33,7) MSEK.

### January – June 2007

Operating profit (EBIT) during the period amounted to 81,0 (82,0) MSEK corresponding to an operating margin of 7,8 (10,2) percent.

Earnings during the period have been negatively affected by costs relating to the existing warrant schemes. For the period, these costs increased the selling expenses by 15,2 (0,0) MSEK.

Adjusted for expenses attributable to this share based compensation, the operating margin for the period was 9,3 (10,2) percent of revenues and 34,0 (37,1) percent of gross profit.

One time expenses in the period amounted to 3,8 (3,0) MSEK.

Profit after tax for the period amounted to 58,6 (54,4) MSEK.

## **Earnings per share**

The average number of shares after dilution amounted to 28 544 803 resulting in earnings per share of 1,07 (1,18) SEK for the second quarter. The earnings per share for the period amount to 2,05 (1,91) SEK.

## **Financial position and cash flow**

Cash and cash equivalents at June 30, 2007 amounted to 392,3 (312,8) MSEK. Cash and cash equivalents at year end 2006 amounted to 433,1 MSEK. The Group does not have any long-term loans or bank credit.

Cash flow from operations before changes in working capital during the second quarter was 49,6 (45,0) MSEK. The increase in cash flow is driven by the growth in gross profit. The change in working capital for the second quarter was 13,0 (-23,9) MSEK and was due mainly to a decrease in accounts receivables in relation to short term debts to affiliates. The change in working capital for the reporting period was 9,0 (31,7) MSEK.

Investments during the second quarter in tangible assets amounted to 2,0 (2,3) MSEK and related primarily to investments in computer equipment. For the reporting period, investments in tangible assets amounted to 4,3 (3,3) MSEK.

Cash flow for the second quarter amounted to -79,6 (19,1) MSEK. Cash flow for the period amounted to -46,1 (99,7) MSEK. During the period, cash flow was negatively affected by a dividend paid to the shareholders of 140,1 (0,0) MSEK.

## **Significant events during the period**

During the period, a dividend was paid to the shareholders of 140,1 (0,0) MSEK. Most recently, senior management changes have included the appointment of, Andreas Bernström as COO, Ulrika Wahllöf as HR Director and Casper Seifert as CFO.



## Employees

At June 30, 2007, TradeDoubler had 429 (295) employees of which 32 (37) percent are female. During the period, TradeDoubler recruited a further 78 (38) employees of which 42 (6) were recruited in the second quarter. Most new recruitment during the period took place in the local subsidiaries to strengthen sales and support functions and in product and technical development team.

The average number of employees in the second quarter was 412 (292) and in the period 392 (284). The majority of recruitment has now taken place and only a small number of employees will be added to the company for the remainder of the year.

## Risks and factors of uncertainty

TradeDoubler's operations involve the development of advanced software and services thereto associated. The business is expanding rapidly and internationally. In addition to customer and supplier relations, risks include, but are not limited to: the level of client acceptance of existing, new and upgraded products and services, the growth of overall market demand for the Company's products, the Company's relationship with third party suppliers and its ability to accurately forecast and manage the volume of sales in various currencies. Both the group and the parent company share these risks.

## Transactions with affiliated companies

No significant transactions between the group companies or between the parent company have taken place in the period. Related parties with which the Group has transactions are described in the annual report for 2006, note 25.

## Parent Company

The parent company's sales during the second quarter increased by 36,7 percent to 80,7 (59,1) MSEK. The sales consist primarily of license fees from subsidiaries. For the period the corresponding increase was 39,2 percent to 152,7 (109,7) MSEK.

Earnings after financial items for the second quarter amounted to 37,0 (26,4) MSEK and earnings after financial items for the period amounted to 66,2 (46,2) MSEK. Liquid assets at June 30, 2007 were 232,1 (101,8). Liquid assets at year end 2006 amounted to 159,6 MSEK.

Investments in fixed assets during the second quarter amounted to 1,2 (1,3) MSEK and during the period amounted to 1,8 (1,8) MSEK.

The average number of employees during the second quarter was 98 (75) and for the period 95 (74).

In the second quarter and during the period, a dividend was paid to the shareholders of 140,1 (0,0) MSEK.

## **Significant events after the closing date**

TradeDoubler has purchased all shares of Interactive Marketing Works Ltd and its subsidiaries ('The IMW Group') for approximately 56 MGBP in cash and debt. The IMW Group's subsidiaries include The Search Works, which is the number one search engine marketing company in the UK and The Technology Works; a technology provider with a presence in Europe and Asia. The purchase is strategically important to the group and emphasises TradeDoubler's product and geographic expansion within the digital media market. The IMW Group will expand its operations throughout TradeDoubler's markets during 2008 and 2009. A separate press release has been issued containing further information about the acquisition. Acquisition sheets will be presented in the third quarter report.

After the closing of the period a new office was opened in Dublin further strengthening TradeDoubler's presence in Ireland.

## **Outlook 2007**

During 2007 TradeDoubler has revised its strategy and as a result it has increased its commitment to invest in the continued growth in the company to secure its longer term potential. This has resulted in an increased cost base during the first half of 2007 and, after the period, the acquisition of the IMW Group.

TradeDoubler continues to aim to grow the company at least in line with the underlying market growth.

## **Forthcoming reporting dates**

Third quarter results, 2007	October 26 <sup>th</sup> , 2007.
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Full year results 2007.	January 31 <sup>st</sup> , 2008.
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There will be a telephone conference at 10:30 CET on 26 July, 2007 hosted by CEO William Cooper and CFO Casper Seifert who will present the results for the period. To participate in the conference call, please dial: +46-8-505 2 01 10

The report and the presentation will be published on the company website, [www.tradedoubler.com](http://www.tradedoubler.com) prior to the start of the conference call. For local dial in numbers, please consult the TradeDoubler website.

The Board of Directors and the CEO have ensured that the interim report provides an accurate overview of the Parent Company's and the Group's operations, financial position and results, and that it describes the significant risks and uncertainties faced by the Parent Company and the companies in the Group.

Stockholm, July 25<sup>th</sup> 2007

Kjell Duveblad  
Chairman of the board

Lars Lundquist  
Vice Chairman of the board

Elisabet Annell

Kristofer Arwin

Felix Hagnö

Martin Henricson

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*This Interim Report has not been subject to review by the company auditors.*

## Consolidated income statement

SEK 000s	Apr-Jun 2007	Apr-Jun 2006	Jan-Jun 2007	Jan-Jun 2006	Jan-Dec 2006
Revenue	512 622	400 863	1 033 768	801 323	1 744 080
Cost of services sold	-369 573	-286 849	-751 113	-580 237	-1 263 783
<b>Gross profit</b>	<b>143 049</b>	<b>114 014</b>	<b>282 655</b>	<b>221 086</b>	<b>480 297</b>
Selling expenses	-74 349	-45 847	-142 252	-92 813	-200 110
Administrative expenses	-21 915	-18 623	-46 372	-37 710	-72 041
Development expenses	-6 484	-4 251	-12 997	-8 542	-18 080
<b>Operating profit</b>	<b>40 301</b>	<b>45 293</b>	<b>81 034</b>	<b>82 021</b>	<b>190 066</b>
Net financial items	2 504	1 068	4 987	2 014	8 134
<b>Profit before tax</b>	<b>42 805</b>	<b>46 361</b>	<b>86 021</b>	<b>84 035</b>	<b>198 200</b>
Income tax expense	-12 217	-12 678	-27 406	-29 636	-57 814
<b>Net profit</b>	<b>30 588</b>	<b>33 683</b>	<b>58 615</b>	<b>54 399</b>	<b>140 386</b>
Basic earnings per share (SEK)	1,09	1,24	2,09	2,01	5,13
Diluted earnings per share (SEK)	1,07	1,18	2,05	1,91	4,93
Average no of shares outstanding	28 015 287	27 172 035	28 015 287	27 124 118	27 350 907
Average no of shares outstanding after dilution (period end)	28 544 803	28 588 773	28 545 657	28 540 151	28 479 075
Total no of shares outstanding (period end)	28 015 287	27 335 001	28 015 287	27 335 001	27 954 837
Total no of shares outstanding after dilution (period end)	29 345 583	28 588 773	29 345 583	28 588 773	28 588 773

## Consolidated balance sheet

SEK 000s	30 Jun 2007	30 Jun 2006	31 Dec 2006
<b>ASSETS</b>			
<b>Fixed assets</b>			
Intangible fixed assets	12 025	13 405	12 715
Tangible fixed assets	12 660	10 182	11 558
Other long-term receivables	803	803	803
Deferred tax asset	3 207	7 043	2 263
<b>Total fixed assets</b>	<b>28 695</b>	<b>31 433</b>	<b>27 339</b>
<b>Current assets</b>			
Accounts receivable	374 770	277 446	417 514
Prepaid expenses and accrued income	7 989	3 896	6 453
Other current receivables	32 226	16 773	30 316
Cash and cash equivalents	392 326	312 790	433 082
<b>Total current assets</b>	<b>807 311</b>	<b>610 905</b>	<b>887 365</b>
<b>TOTAL ASSETS</b>	<b>836 006</b>	<b>642 338</b>	<b>914 704</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
<b>Shareholders' equity</b>	<b>283 563</b>	<b>241 644</b>	<b>348 965</b>
<b>Long-term liabilities</b>			
Deferred tax liability	-	3 754	3 562
Other provisions	2 200	6 500	-
	<b>2 200</b>	<b>10 254</b>	<b>3 562</b>
<b>Current liabilities</b>			
Accounts payable	5 926	11 065	12 662
Publisher payable	268 472	189 062	270 374
Tax liability	42 271	27 394	26 325
Other current liabilities	183 610	118 399	196 949
Accrued expenses and deferred income	39 464	36 020	45 367
Other provisions	10 500	8 500	10 500
	<b>550 243</b>	<b>390 440</b>	<b>562 177</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>836 006</b>	<b>642 338</b>	<b>914 704</b>

**Changes in consolidated shareholders' equity**

	<b>Apr-Jun</b>		<b>Jan-Jun</b>		<b>Jan-Dec</b>
<b>SEK 000s</b>	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>	<b>2006</b>
Shareholders equity on opening date	386 266	213 627	348 965	188 562	188 562
Translation differences	719	-1 522	3 106	-2 950	-6 745
Profit for the period	30 588	33 683	58 615	54 399	140 386
Share issues	-	-	-	169	8 225
Dividend	-140 076	-	-140 076	-	-
Share-based compensation adjusted by equity items	6 066	732	12 953	1 464	2 928
Tax effect on share option exercise 1)	-	-	-	-	15 609
<b>Total shareholders' equity on closing date</b>	<b>283 563</b>	<b>246 520</b>	<b>283 563</b>	<b>241 644</b>	<b>348 965</b>

1) Tax deduction is admitted in the UK at share option exercise based on calculated cost.



## Consolidated cash flow statement

SEK 000s	Apr-Jun 2007		Jan-Jun 2007		Jan-Dec 2006
<b>Operating activities</b>					
Profit before tax	42 804	46 361	86 021	84 035	198 201
Adjustments for non-cash items	9 605	-2 659	19 125	-159	3 337
Income taxes paid	-2 850	1 323	-15 899	695	-4 903
<b>Cash flows from operating activities before changes in working capital</b>	<b>49 559</b>	<b>45 025</b>	<b>89 247</b>	<b>84 571</b>	<b>196 635</b>
Changes in working capital	12 960	-23 921	9 038	31 670	32 533
<b>Cash flow from operating activities</b>	<b>62 519</b>	<b>21 104</b>	<b>98 285</b>	<b>116 241</b>	<b>229 168</b>
<b>Investing activities</b>					
Net investment of subsidiary	-	345	-	-13 405	-9 900
Net investment of tangible fixed assets	-2 035	-2 303	-4 273	-3 321	-7 301
<b>Cash flow from investment activities</b>	<b>-2 035</b>	<b>-1 958</b>	<b>-4 273</b>	<b>-16 726</b>	<b>-17 201</b>
<b>Financing activities</b>					
New share issues	-	-	-	169	8 225
Dividend	-140 076	-	-140 076	-	-
<b>Cash flow from financing activities</b>	<b>-140 076</b>	<b>-</b>	<b>-140 076</b>	<b>169</b>	<b>8 225</b>
<b>CASH FLOW FOR THE PERIOD</b>	<b>-79 592</b>	<b>19 146</b>	<b>-46 064</b>	<b>99 684</b>	<b>220 192</b>
<b>Cash and cash equivalents on opening date</b>	<b>471 996</b>	<b>296 997</b>	<b>433 082</b>	<b>218 348</b>	<b>218 348</b>
<b>Translation difference in cash and cash equivalents</b>	<b>-78</b>	<b>-3 353</b>	<b>5 308</b>	<b>-5 242</b>	<b>-5 458</b>
<b>Cash and cash equivalents on closing date</b>	<b>392 326</b>	<b>312 790</b>	<b>392 326</b>	<b>312 790</b>	<b>433 082</b>
<b>Adjustment for non-cash items</b>					
Depreciation	2 039	1 609	3 972	2 827	6 409
Non-recurring cost relating to the quotation	-	-1 000	-	-2 950	-
Personnel expenses, including social security expenses, attributable to share related programs	7 566	-3 268	15 153	-36	-3 072
<b>Total non-cash items</b>	<b>9 605</b>	<b>-2 659</b>	<b>19 125</b>	<b>-159</b>	<b>3 337</b>

**Quarterly results**

	Jan-Mar 2006	Apr-Jun 2006	Jul-Sept 2006	Oct-Dec 2006	Jan-Mar 2007	Apr-Jun 2007
<b>SEK 000s</b>						
Revenue	400 460	400 863	426 918	515 838	521 146	512 622
Quarter-on-quarter growth (%)	17	0	6	21	1	-2
Cost of services sold (publisher compensation)	-293 388	-286 849	-307 264	-376 282	-381 540	-369 573
<b>Gross profit</b>	<b>107 072</b>	<b>114 014</b>	<b>119 654</b>	<b>139 556</b>	<b>139 606</b>	<b>143 049</b>
Quarter-on-quarter growth (%)	10	6	5	17	0	2
Selling expenses	-46 966	-45 847	-50 194	-57 104	-67 903	-74 349
Administrative expenses	-19 087	-18 623	-17 692	-16 638	-24 457	-21 915
Development expenses	-4 291	-4 251	-4 832	-4 707	-6 513	-6 484
<b>Operating profit</b>	<b>36 728</b>	<b>45 293</b>	<b>46 936</b>	<b>61 107</b>	<b>40 733</b>	<b>40 301</b>
Net financial items	946	1 068	2 346	3 775	2 483	2 504
<b>Profit before tax</b>	<b>37 674</b>	<b>46 361</b>	<b>49 283</b>	<b>64 882</b>	<b>43 216</b>	<b>42 805</b>
Income tax expense	-16 958	-12 678	-11 219	-16 959	-15 189	-12 217
<b>Net profit</b>	<b>20 716</b>	<b>33 683</b>	<b>38 064</b>	<b>47 923</b>	<b>28 027</b>	<b>30 588</b>

**Key data**

	Apr-Jun 2007	Apr-Jun 2006	Jan-Jun 2007	Jan-Jun 2006	Jan-Dec 2006
<b>SEK 000s</b>					
Operating margin (%)	7,9	11,3	7,8	10,2	10,9
EBITDA	42 340	46 902	85 006	84 848	196 474
EBITDA margin (%)	8,3	12,0	8,2	11,0	11,4
Equity ratio (%)	33,9	37,6	33,9	37,6	38,0
Return on equity (%)	43,2	34,7	45,7	34,7	52,0
Number of employees on closing date	429	295	429	295	351
Average number of employees	412	292	392	284	308

Notes to the results of the group.

- i. One-time expenses during the second quarter amounted to 1,8 (1,0) MSEK
- ii. Share based warrant costs during the second quarter amounts to 7,6 (+3,3) MSEK
- iii. One-time expenses during the period amounted to 3,8 (3,0) MSEK
- iv. Share based warrant costs during the period amounts to 15,2 (0,0) MSEK
- v. A dividend paid out to shareholders on June 1 of 140,1 MSEK

## Parent Company

### Income Statement - Parent Company

<b>KSEK</b>	<b>Apr-Jun 2007</b>	<b>Apr-Jun 2006</b>	<b>Jan-Jun 2007</b>	<b>Jan-Jun 2006</b>	<b>Jan-Dec 2006</b>
Revenue	80 745	59 076	152 719	109 721	235 426
Cost of services sold (publisher compensation)	-6 831	-4 708	-9 458	-7 844	-14 937
<b>Gross profit</b>	<b>73 914</b>	<b>54 368</b>	<b>143 261</b>	<b>101 877</b>	<b>220 489</b>
Selling expenses	-7 992	-5 104	-16 689	-9 148	-18 333
Administrative expenses	-22 719	-18 562	-47 664	-37 953	-74 837
Development expenses	-6 492	-4 291	-13 005	-8 543	-18 080
<b>Operating profit</b>	<b>36 711</b>	<b>26 411</b>	<b>65 903</b>	<b>46 233</b>	<b>109 239</b>
Finance income	329	0	328	0	1 906
Finance costs	-	-3	-	-52	-14
<b>Profit after financial items</b>	<b>37 040</b>	<b>26 408</b>	<b>66 231</b>	<b>46 181</b>	<b>111 131</b>
Income tax expense	-7 892	-6 668	-15 783	-13 335	-26 670
<b>Net profit</b>	<b>29 148</b>	<b>19 741</b>	<b>50 448</b>	<b>32 846</b>	<b>84 461</b>

## Balance Sheet - Parent Company

SEK 000s	30 Jun 2007	30 Jun 2006	31 Dec 2006
<b>ASSETS</b>			
<b>Fixed assets</b>			
Property, plant and equipment	6 481	6 020	6 639
Investment in Group companies	46 587	43 599	46 587
Other securities held as fixed assets	536	536	536
Deferred tax asset	-	1 834	-
<b>Total fixed assets</b>	<b>53 604</b>	<b>51 989</b>	<b>53 762</b>
<b>Current assets</b>			
Accounts receivable	4 434	5 216	3 596
Receivables from Group companies	119 848	114 547	127 951
Other current receivables	6 353	756	1 085
Prepaid expenses and accrued income	2 413	1 989	3 550
Cash and cash equivalents	232 143	101 765	159 596
<b>Total current assets</b>	<b>365 191</b>	<b>224 273</b>	<b>295 778</b>
<b>TOTAL ASSETS</b>	<b>418 795</b>	<b>276 262</b>	<b>349 540</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
<b>Shareholders' equity</b>	<b>166 364</b>	<b>196 322</b>	<b>255 993</b>
<b>Current liabilities</b>			
Accounts payable	6 182	6 154	5 486
Liabilities to Group companies	143 194	3 634	5 453
Current tax	40 620	13 335	24 837
Other current liabilities	45 838	39 674	43 025
Accrued expenses and deferred income	16 597	17 143	14 746
	<b>252 431</b>	<b>79 940</b>	<b>93 547</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>418 795</b>	<b>276 262</b>	<b>349 540</b>

Notes to the results of the parent company.

- vi. A dividend was distributed to shareholders on June 1 of 140,1 MSEK.

## Accounting principles

This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and RR 31 Consolidated Interim Financial Reporting. The accounting policies that have been applied are in agreement with the accounting policies that were used in the preparation of the company's latest annual report. A description of the accounting policies is included in note 1 of the annual report. New or revised IFRS standards or IFRIC interpretations, which came into force on 1 January 2006, have not had any effect on the group's results of operations or financial position.

This report has included the additional information required by the implementation of the EU Transparency Directive to the Swedish law, from July 1, 2007.